

Decision No. R25-0258-I

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 25A-0062E

IN THE MATTER OF THE APPLICATION OF BLACK HILLS COLORADO ELECTRIC, LLC
FOR APPROVAL OF ITS 2025 DISTRIBUTION SYSTEM PLAN.

**INTERIM DECISION SCHEDULING REMOTE
PREHEARING CONFERENCE, REQUIRING PARTIES TO
CONFER, REQUIRING THE FILING OF A CONFERRAL
REPORT, AND ORDERING SUPPLEMENTAL DIRECT
TESTIMONY**

Issued Date: April 4, 2025

I. STATEMENT

A. Relevant Procedural Background

1. On January 31, 2025, Black Hills Colorado Electric, LLC doing business as Black Hills Energy (“Black Hills” or the “Company”) filed its Application (“Application”) for Approval of its 2025-2029 Distribution System Plan (“DSP”).

2. By Decision No. C25-0221-I, issued March 25, 2025, the Commission set the matter for hearing, acknowledged the interventions as of right filed by the Trial Staff of the Colorado Public Utilities Commission (“Staff”) and the Colorado Office of the Utility Consumer Advocate (“UCA”), and designated Commissioner Eric Blank as Hearing Commissioner for this Proceeding pursuant to § 40-6-101(2), C.R.S.

B. Remote Prehearing Conference

3. It is appropriate to hold a remote prehearing conference in this proceeding. Accordingly, a remote prehearing conference will be scheduled for **April 24, 2025, at 11 a.m.** The

remote prehearing conference will be conducted over the Zoom videoconferencing platform. The Hearing Commissioner or a member of Commission Staff will email the log-in information in advance of the hearing.

C. Conferral and Conferral Report

4. Black Hills (“BH”) shall confer with the other parties in advance of the remote prehearing conference regarding a schedule for this proceeding and any discovery procedures that are inconsistent with the Commission’s rules governing discovery.

5. Black Hills shall file a report of the results of the conferral. If there is agreement on a schedule, including deadlines for, among other things, the filing of prehearing testimony (including the Supplemental Direct testimony ordered below), dates for the hearing, discovery procedures that are inconsistent with the Commission’s rules governing discovery, and the procedures for conducting a remote hearing, the report shall state as much and detail the stipulated procedural schedule, discovery procedures, and/or method for conducting the hearing. If no agreement is achieved, the report shall state that and identify the competing schedules and discovery procedures.

6. The parties are urged to work with Commission counsel and advisory staff assigned to this proceeding to identify suitable dates for the hearing and propose more than one date or consecutive dates for the hearing. The latest date on which the hearing can conclude is **July 25, 2025**, which assumes that the deadline for a final Commission decision will be extended 130 days pursuant to § 40-6-109.5(1), C.R.S. The deadline for Black Hills to file the report is **April 21, 2025**.

7. All parties must appear at the remote prehearing conference. Failure to attend or to participate in the remote prehearing conference is a waiver of any objection to the rulings made,

to the procedural schedule established, and to the hearing dates scheduled during the remote prehearing conference.

D. Supplemental Direct Testimony Requirement and Additional Future Filings

8. Consistent with prior Commission practice in most large utility capital investment proceedings, and to help better integrate affordability concerns into Black Hills’ (“BH”) capital spending planning process, the Hearing Commissioner hereby directs the Company to provide a 20-year residential and total rate analysis through 2045 in an executable format¹ with the following assumptions and elements: (i) the gross capital spending projections should be based on the total capital spending projected by the corporate parent in its latest investor presentation with the 2024-2028 growth rates assumed to persist through 2045;² (ii) the allocation to the Colorado electric subsidiary of the total corporate investment should be based on the assumption that the current proportionate share of electric rate base to the corporate total as shown in the latest investor presentation is maintained over the forecast horizon;³ (iii) the long-term customer class allocation should include the Average and Excess Four Coincident Peak (“A&E 4CP”) cost allocation approach that was just approved by the Commission in the most recent BH electric rate case;⁴ and (iv) the peak demand and energy sales forecast first-year starting points and growth rates should reflect the actual historical growth rates from 2017 through 2023. The analysis should produce two revenue requirements, one for all customer classes in total and one solely for the residential class.

¹ See, e.g., Public Service Company of Colorado Distribution System Plan Filing, Proceeding No. 24A-0547E, HE 109, Executable Attachment 1 (providing a perhaps overly complex example).

² See, e.g., Black Hills Electric Rate Case, Proceeding No. 24AL-0275E, HE 1500, at p. 4 (showing \$4.3 billion in capital spending between 2024-2028).

³ See, e.g., *id.*, at p. 5 (showing that Black Hill’s Colorado electric subsidiary comprised 13 percent of the total corporate rate base as of December 31, 2023).

⁴ See Decision No. C25-0183, Black Hills Electric Rate Case, Proceeding No. 24AL-0275E, issued March 17, 2025, at p. 74-80.

The Parties' conferral on a procedural schedule should include a deadline for submission of this supplemental direct testimony.

9. Based on the residential and total rate forecasts provided in response to the prior request and given the Commission order in the Black Hills's electric rate case, the Hearing Commissioner asks the Company, Trial Staff, and other intervenors to help identify a total Colorado electric capital spending level that would "keep rates [both residential and total] growing no faster than inflation".⁵ Further explanation and any request for filings will be provided through future decision.

II. ORDER

A. It Is Ordered That:

1. A remote prehearing conference in this proceeding is scheduled as follows:

DATE: April 24, 2025

TIME: 11 a.m.

WEBCAST: Commission Hearing Room

METHOD: Join by video conference using Zoom at the link to be provided in an email from Commission Administrative Staff⁶

2. Nobody should appear in-person for the remote prehearing conference.
3. Black Hills Colorado Electric, LLC ("Black Hills") shall file the report of the conferral identified above on or before April 21, 2025.

⁵ *Id.*, at p. 107, paragraph 333.

⁶ Additional information about the Zoom platform and how to use the platform are available at: <https://zoom.us/>. All are strongly encouraged to participate in a test meeting prior to the scheduled hearing. See <https://zoom.us/test>.

4. This Decision is effective immediately upon its Issued Date.

(S E A L)



THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

ERIC BLANK

Hearing Commissioner

ATTEST: A TRUE COPY

A handwritten signature in cursive script that reads "Rebecca E. White".

Rebecca E. White,
Director